# HIGHER RATE VITAL, IS RAILROADS' PLEA

Proposed Advance Falls Short of Expenses by \$75,000,000. Executives Say.

CONDITIONS A MENACE

which all the roads of the country hope to get an increase of 15 per cent in freight rates, declared the necessity for the advance was imperative to enable to advance be granted. The contract of the systems. Even should the nation and the increased in operating revenues but has actually caused a decrease in et operating revenue, but do not decrease in operating revenue, but do not decrease in operating revenue, but do not decrease in operating revenue, but the decrease in the insulative decrease in operating revenue, but the decrease in the increase in operating revenue, but the operating revenue, but do not decrease in the increase in operating revenue, but do not decrease in the increase in operating revenue, but do not decrease in the increase in the increase in operating revenue, but do not decrease in the large in operating revenue, but do n

ficient to enable the Pennsylvania system to meet the increased expenses in sight. The railroads are combecause they are suffering from in-creased costs and taxes and an inadeproperty investment return for at

least the five years preceding 1916, and consequently from insufficient credit. In addition, there has been such an extraordinary increase in costs since the closing months of the calendar year 1916 that we are convinced that if we are to

penses effective since that date. The sit Affects only about 44 per cent of the total materials consumed, on which menses in the operating income for the nine months, its serious we now have accurate data, but nothing in tiself, it will be further income in the future by the increased with the future by the increased of the future by the increased with the future by the increased of the future by the increased with the future by the increased of the future by the increased o

revised estimates in detail, but I feel revenues, but on account of the increased assured that our increased expenses and taxes compared with 1916 will certainty exceed \$51,82,000.

Practically no very substantial portion of these increases became effective.

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The commission in the 5 per cent. case in great in the ending of the compared of the compared with 1916 will certainty as a steady decrease in the return on stoady decrease in the return on the compared with 1916 will certainty as the property investment to provide more facilities and equipment, there had been a stoady decrease in the return on a stoady decrease in the return on the standy decrease in the return of the increased of \$0.00,000 tons have been on contracts which run for comparing the price of the contracts of their entires of the contracts of their entires of the contracts of the contracts which run for the commission and for which figures are filed in this case), shows that for that year Pennsylvania Railroad system after sinking fund payments of \$36,505,000, or 2,99 per cent. on the total contract contains a clause in the effective.

Solution of the increased of \$2.000,000 tons have been arranged for on contracts which run for the creaming a surplus of \$3.500,000,000 tons have been allowance in the effective of the contract of the contracts of the contract of the contract of the contract of the contracts which run for the contracts of the contract of the contract

President Rea of Pennsylvania

Points Out Perils of

Situation.

Situation.

Situation.

Washington, May 7.—Spoktsmer of the realizones of the East, before the Interstate Commerce Commission to-day in the first of the first of the hearings through ditures are necessary for which a sound in the first of the hearings through ditures are necessary for which a sound in the first of the hearings through ditures are necessary for which a sound in the first of the hearings through ditures are necessary for which a sound in the first of the hearings through ditures are necessary for which a sound in the first of the hearings through ditures are necessary for which a sound in the first of the hearings through ditures are necessary for which a sound in the first of the hearings through ditures are necessary for which a sound in the first of the hearings through ditures are necessary for which a sound in the first of the hearings through ditures are necessary for which a sound into the sinking fund payments and dividual and the constitution of \$15,822,000 would not that a decrease in gross unaccompanied by a corresponding duraccompanied by a corresponding duraccompanie mand dividends to the commission of \$1.50.20,000.

In 1917 we have substantially inthe open market to eke out
the open

23. The proposed increase which has been tentatively authorized by the commission, will go into effect on July 1, advance in rates was made the commission. When the last application for an advance in rates was made the commission of the railroads in operating income of the railroads in operating income of the railroads in order that he might be taken better the interest of both the general public and the executives appearing to-day for the Eastern roads placed special emphasis upon inadequate facilities and incompared in that case that the net part of the shipper to hear an increase in rates in order that he might be taken better the interest of both the general public care of in time of industrial activity by our being in a position to provide for these maximum demands.

It appeared in that case that the net in prosperous times industries in-

per the Basiern roads placed special rem.

(2.8 a. 21 L. C. 2. rage 284.)

In prepared in that case that the per parties in the the parties ing these facts, the company found itself much worse off so far as its final results were concerned than it was in railroad employees the records of the Pennsylvania Lines East show an averaging the second of the results were concerned than it was in age number of employees, during 1915, 1900, when the country was emerging from a severe and extended period of financial, commercial and industrial deriversion.

The facts with respect to the various treasion.

In its second opinion (December, 1914), in the Five Per Cent. Case (32 I. C. C. 325), the commission, in speaking of the fiscal year 1914, said (page

pression

"From whatever comparative standpoint viewed, the net operating revenues of the last fiscal year must be regarded

as unduly low."
The position of the Pennsylvania sys-

ing price changes in fuel and certain classes of employees, both of which have items of materials and additional expenses effective since that date. The since in force since January 1, are only included for three months in this period, and while this decrease in net operating as it affects only about 44 per cent of income for the nine months, is serious the total materials consumed, on which enough in itself, it will be further interest of the pennsyl the constant of the pennsyl that it is safe to say the increase will above the minimum stated.

Fuel Supply.

The fuel supply of the Pennsyl that it is safe to say the increase will above the minimum stated.

in the first of the hearings through ditures are necessary for which a sound of the last few years would seem to which all the roads of the country hope credit basis must be maintained.

During the last seven months (Sep.

Western systems will present their arguments after the Southern line have concluded.

To Go Into Effect July 1.

Shippers, many of whom agree that some increase is necessary, will have a 11 is also requisite to make a brief bearing before the commission on May review of a few years prior to 1918 to price of their products when the increase which has reveal the full force of the present situatively authorized and price of manufacture overtakes been tentalized authorized.

ployees was 121.447.

The facts with respect to the various expense are as fol-

## Wages.

We have estimated (based on actual calculations made on the January pay-rolls for which payments have been made or are now being made), that the nereased wages under the Adamson law increased wages under the Adamson law would amount to \$10,757,000 for the system, and cover only payments to the enginemen, firemen, conductors, brake-

the present time. This result cannot be secured except by permitting the ad-vanced rates to go into effect at the earliest possible moment

New York Central's Side. A H. Smith, president of the New York Central, told the commission that the heavy advances in the cost of coal, labor and materials would add \$45. ton, or \$15.000,000.

> The execution of the comprehensive als of the Government for raising and raining an army will involve con-iderable additional expenditures not here ofore contemplated for the estabshment of adequate railroad facilities at mobilization camps and at terminals and other points to permit the moving Manila. Manila in ad-

eseen the present shortage of labor and demand for material is likely to ex-

Effect of the Proposed Rate Increase on the Revenues of the l'ennaylvania System.

All of the foregoing justifies the view hat higher rates are

higher costs and taxes and maintain a sound credit basis.

The results for the year ended fune 30. 1916, the year of largest operating revenue, are extremely favorable when commession that the financial plight of the military school as which should be remembered that 1915 had the should be

The year 1916 has reenforced the ex- the investment was lower than the av have not been high enough to produce a sufficient surplus and credit basis to a sufficient surplus and credit basis to justify us in providing facilities (not-withstanding an expenditure of \$700. 000,000 for road and equipment since 1990) far enough shead to adequately take care of the progressive demands of our transportation business, and it is

TO GREET ENVOYS

City Will Sparkle in Flags. Flowers and Illuminated

BANQUET TO BE CLIMAX

French and English Guests Will Eat American Food-Joffre Here To-morrow.

Final plans for the reception and entertainment of the members of the The French and British war commissions d prices, especially for those things when they visit this city this week were prices, especially for those things when they visit this city this week were practically completed fast night by the AMBULANCE MEN Mayor's Citizens Committee. With an elaborate entertainment programme arleading architects and decorators putting the city in gala dress, the reception hidr fair to rival the Hudson-Fulton cele-bration and the welcome accorded to Admiral Dewey upon his return from

In addition to the elaborate floral and of troops with the regular traffic of the forence with the regular traffic of the fronds. The one source of funds available promptly is through additional throughout the city, there is to be a magnificent filuminating display. These revenues, which can be obtained only details will be completed Wednesday. morning.

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mean for material is likely to exa long time in the future

of the Proposed Rate fanase on the Revenue of the
mastina System.

of the foregoing justifies the view
igher rates are necessary to meet
costs and taxes and maintain a
coredit basis.

results for the year ended fore

through maker rates, due to the conminuture so far as can be
much the conminuture so far as can be
the foregoing likely to exa long time in the money market.

1. D. Underwood, president of the
Ent. Rathroad, said that his system had
paid no dividends for ten years, and that
first avenue Plaza, at Fifty Avenue Plaza, at Fif

SATURDAY

## Greatest Event of Visit. The panquet to the members of the quiring

BY EVANGELISTS joint commissions at the Waldorf kinds of ammunition. This work is con-Astoria Friday night will be the greatest sidered one of the most important event of the visit. Hundreds of requests from distinguished citizens in Washing-ton and other parts of the country have

a rising vote the resolutions were adopted unanimously. Father Duffy and officers of the Sixty-

T. R. TO SPEAK IN BROOKLYN. JOFFRE IS SILENT

Incidentally His Coming Defers Mayoralty Ambition of Cropsey. Acceptance by Theodore Roosevelt of a long standing invitation to address the members of the Kings County Republican General Committee in Kismet Ter pie, Brooklyn, to-night, is rumored have set the plane of some Republicans there all awry. This is how it is sup-posed to have come about: Friends of Justice Cropsey think he

up. Some one of the committee sug-

occasion made a great patriotic rally

TO JOIN FIGHTERS

Americans Decide to Work in

Ammunition Transport

Service in France.

Panis, May 7 - With the course a

brankes of the operations

Springfield. would be a strong Mayoralty candidate on a straight Republican ticket. Jacob A Livingston leans toward the straight licket. Before Col. Roossvelt signified VIVIANI LAUDS MARTYR his intention of coming to Brooklyn Jus tice Cropsey's friends planned to introaccording to report, designating Cropse as the Mayoralty choice of Brocklyn Re-publicans. Some opposition was ex-pected from the Calder-Kracke group. Then the shadow of the Colonel loomed

AT LINCOLN'S TOMB

Marshal Lays Wreath on It in

Impressive Ceremony at

Tells Illinois Legislature France Is Standing for Civilization He Saved.

SPRINGPIELD, III., May 7 - Mar. Joffre paid tribute to the memory of Lincoln at the emancipator's tomb have to-day and with the others of the French received an enthumast The Marshal of France silently places

The Marshal of France should place a wreath on the Lincoln sarcophagus With bowed heads and doffed caps to French hero. Itene Viviant, vice-press dent of the French Council of Ministers and the military and civil officials what accompanied them filed into the tompaid honor to the war President and set without a spoken word. As his train drew late the sta

Marshal Joffre stoeped from the pla form and kissed two life girls were dressed to represent the lint States and France. The hall of States and France. The hall of the House of Representatives was through to the top galleries. Gov Lower a reception committee excepted the into the half amid warm cheering were welcomed by who called attention to the de 'nited States owed France, Get spoke briefly

"I come here to represent the French army," he sale you. I leave the French a Springfield to sniute M. Viviant paid a trib fensives are in progress.

Second—A military school at which reloicing that spread through the Americans will receive special train-when the speech of President W.

ing under French officers leading to appointment as officers of the French army States to enter the war was States to enter the war was Legislature," M. tered the Chamb the Chamber of posited a wrenth upon the tomb out by Prof. A. Piatt Andrew, chief inspector of the American Ambulance Corps, in cooperation with the French immortal Lincoln. The homoge France comes with its. We wish understand, no matter how far its Springfield to France, the visio fighting front leaves splendid modern democracy will be composed of stood in France. You know forty-five Americans, with twenty heavy lamong the people, not able to read

ammunition trucks. It is expected that coin arose by study and intelligence additional section will leave for the be the emanutator of modern of "Lincoln understood human on the immortal. civilization, and although I silence, by his triumphs and his deed still lives in memory.

"Three years ago the German o ment violated the rights of man war any motive or right and sought to quer France. The United States is face to face with the same crisis change of the name of the American. "We will take back with us a ron Field Ambulance Corns to the "Americ brance of you and when we have heard and seen and we where on account of Frame.

> Calling attention to the deut that the United S ates owns France, Speak-'America can never fully rema appreciate the valor generosii; heroism of the French people, so

light to honor their official repre-tives here to-day."

At Decatur, III., M. Viviani in

DATE AND ADDRESS OF THE PROPERTY OF THE PROPER

everywhere-all owe their accuracy to

WESTERN UNION

THE WESTERN UNION TELEGRAPH CO.